

About Source Capital, LLC

Source Capital was established to make equity investments in mature, private “small-cap” companies located throughout the United States. Investments are primarily in the form of management-backed leveraged acquisitions, recapitalizations and growth financings. We target both healthy growing companies and turnaround opportunities. Our emphasis is on value creation through growth, business development and operational improvement rather than through financial engineering or excessive leverage. Source partners with exceptional management teams who are excited about the growth potential of their business and seek a financial partner to accelerate future expansion and drive strategic and operational improvement. Our financial resources and expertise are used in tandem with the efforts of a professional management team to increase a business' competitive position, scale and level of profitability.

Investment Profile

Target size:

- ❖ Trailing twelve-month EBITDA of at least \$1.5mm
- ❖ Exceptions will be made for distressed businesses with a history of operating at or above this level (typically revenue of \$15mm up to \$150mm)
- ❖ No EBITDA minimum for add-on transactions

Situations:

- ❖ Management-backed, leveraged buyouts
- ❖ Distressed, turnarounds, special situations
- ❖ Acquisitions / divestitures
- ❖ Recapitalizations
- ❖ Growth financings

Acquisition criteria:

- ❖ Strong and defensible market position
- ❖ Long-term competitive advantage
- ❖ Significant barriers to entry
- ❖ Recurring and predictable cash flow
- ❖ Limited capex and working capital requirements
- ❖ Management willingness to participate in upside
- ❖ For distressed: Explanation of events that have led to distress

Management criteria:

- ❖ Actively seeking experienced owners and managers eager to partner with us to grow their businesses

Management criteria (cont'd):

- ❖ Prefer investments where management remains, but will selectively consider other situations
- ❖ We align financial interests with top managers through incentive-based compensation programs

Investment model:

- ❖ Innovative and flexible approach to investment structures
- ❖ Ability to rapidly close investments and create structures that align interests of all parties
- ❖ Typically take controlling interests, although will selectively review non-controlling opportunities for high-growth companies

Industries of interest:

- ❖ Flexible and open to all industries, except for high tech
- ❖ Past investment have included:
 - Business services
 - Consumer products / services
 - Distribution / supply (value-added)
 - Healthcare
 - Industrial and light manufacturing
- ❖ Always seeking businesses that would be complementary to current portfolio

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Current Investments



Business Services /
Equipment Rental

Aerial Access Equipment

Investment Date: June 2004 ♦ Baton Rouge, Louisiana ♦ www.aae-la.com

A leading provider of heavy equipment rental, sales, and repair services focused on aerial work platforms, boom lifts, scissor lifts and related lift equipment with three locations in the central and southern Louisiana and Texas gulf coast regions. AAE primarily serves the Alabama/Mississippi/Louisiana/Texas shipbuilding and oil and gas markets as well as regional commercial and municipal construction.

↳ **Onsite Equipment Maintenance** (Add-on ♦ Baton Rouge, Louisiana)



Manufacturing /
Home Products

Backyard Products

Investment Date: November 2005 ♦ Monroe, Michigan ♦ www.backyardbuildings.com

A leading designer, manufacturer and marketer of ready-to-assemble and installed wood-based storage buildings and other outdoor structures. Backyard (dba Handy Home Products and Heartland Industries) has a product line which includes storage buildings and accessories, gazebos, timber buildings and playsets.



Healthcare /
Ambulance Transport

Pro Care EMS

Investment Date: September 2005 ♦ Atlanta, Georgia ♦ www.procareems.com

Provider of scheduled and emergency ambulance transportation services throughout the metro Atlanta market and surrounding regions. Pro Care has both exclusive and non-exclusive contracts with hospitals, hospice centers, municipalities and assisted-living facilities to transport patients.

↳ **Tri County EMS** (Add-on ♦ Jefferson, Georgia)



Healthcare /
Ambulance Transport

Pickaway Plains Ambulance Service

Investment Date: September 2006 ♦ Circleville, Ohio ♦ www.ppa-ems.com

Provider of scheduled and emergency ambulance transportation services to both stretcher and wheelchair patients throughout central Ohio. Pickaway has both exclusive and non-exclusive contracts with hospitals, hospice centers, municipalities and assisted-living facilities to transport patients.

↳ **Hocking Valley Health Professionals** (Add-on ♦ Carbon Hill, Ohio)



Manufacturing /
Apparel

S&S Industries

Investment Date: October 2006 ♦ Long Island City, New York

The largest global designer and manufacturer of specialty wire products (underwires) and metal and plastic products (principally rings and slides) used by companies around the world to produce bras and other lingerie products. S&S operates manufacturing facilities in Central America and Asia to supply its customers' global operations. S&S' underwires and other bra components are sold to more than 250 intimate apparel companies and apparel retailers in approximately 50 countries.



Business Services /
Utility Services

Sparus Holdings (Southern Cross and Spear)

Investment Date: March 2009 ♦ Atlanta, Georgia

A leading provider of natural gas pipeline leak detection services to operators of utilities (Southern Cross) and outsourced long-term project management, control, planning and scheduling services (Spear). Pipeline leak detection surveys are mandated on a recurring basis by a variety of federal, state and local regulations with frequency determined by the surrounding population density. Spear places qualified engineers and professionals within companies that design, build and service highly specialized facilities.



Consumer Products /
Recreation

Surf Technicians

Investment Date: August 2007 ♦ Santa Cruz, California ♦ www.surftech.com

The leading global provider and distributor of branded surfboards. Surftech is the dominant player in its market niche with unmatched retail distribution capabilities and a proprietary technology that makes its products lighter and more durable than those of its competitors. Surftech has developed a powerful co-branded licensing model with over fifty product designers and athletes in the surf industry.

Prior Investments



Business Services /
Equipment Rental

Airworx Construction Equipment & Supply

Investment Date: January 2004 ♦ Exited: May 2008 ♦ Indianapolis, Indiana ♦ www.airworxcorp.com

A leading independent construction equipment rental, sales, and repair company focused on aerial work platforms as well as sales of specialized construction hardware with two locations in Indiana. Airworx's primary sources of revenue are renting, selling, and repairing aerial work platforms as well as selling construction supplies to construction contractors, developers and industrial companies throughout Indiana.

↳ **Greater Diversified Supply** (Add-on ♦ Indianapolis, Indiana)



Industrial /
Waste Disposal

RACE (Radiological Assistance Consulting & Engineering)

Investment Date: June 2004 ♦ Exited: April 2006 ♦ Memphis, Tennessee ♦ www.race-services.com

A leading processor and transporter of low level radioactive waste with specialization in processing large components from nuclear utilities. RACE's primary source of revenue is processing and transporting low-level radioactive waste for nuclear utilities, hospitals, universities and drug companies.



Consumer Services /
Wholesale/Retail

Bucks County Coffee

Investment Date: Dec. 2004 ♦ Exited: Oct. 2008 ♦ Langhorne, PA ♦ www.buckscountycoffee.com

The leading micro-roaster in the mid-Atlantic region with approximately 40 retail locations in Washington, DC, southern New Jersey and throughout Pennsylvania. Bucks sells premium coffee in both whole bean format and as brewed coffee as well as drinks, tea, fresh roasted nuts and other snacks out of its coffee kiosks, stand-alone retail locations and through leading grocers in the region.